

# ModernGraham Valuation

Micron Technology,  
Inc.



## Company Name:

Company Ticker MU

Date of Analysis

5/22/2018

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

|  |  |                  |      |
|--|--|------------------|------|
| 1. Adequate Size of the Enterprise         | Market Cap > \$2Bil  | \$66,821,343,526 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 2.58             | Pass |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  |                  | Fail |
| 4. Dividend Record                         | Dividend Payments for 10 years prior   |                  | Fail |
| 5. Earnings Growth                         | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | -4439.39%        | Fail |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 11.77            | Pass |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 2.75             | Pass |

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

|  |                                      |      |      |
|--|--------------------------------------|------|------|
| 1. Sufficiently Strong Financial Condition | Current Ratio > 1.5                  | 2.58 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1                    | 0.74 | Pass |
| 3. Earnings Stability                      | Positive EPS for 5 years prior       |      | Fail |
| 4. Dividend Record                         | Currently Pays Dividend              |      | Fail |
| 5. Earnings Growth                         | EPSmg greater than 5 years ago Score |      | Pass |

### Suitability

|                     |           |
|---------------------|-----------|
| <b>Defensive</b>    | <b>No</b> |
| <b>Enterprising</b> | <b>No</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                 |
|-----------------------------|-----------------|
| EPSmg                       | \$5.01          |
| MG Growth Estimate          | 15.00%          |
| <b>MG Value</b>             | <b>\$193.04</b> |
| MG Value based on 3% Growth | \$72.70         |
| MG Value based on 0% Growth | \$42.62         |
| Market Implied Growth Rate  | 1.64%           |

### MG Opinion

|                      |                    |
|----------------------|--------------------|
| Current Price        | \$59.03            |
| % of Intrinsic Value | 30.58%             |
| <b>Opinion</b>       | <b>Undervalued</b> |
| <b>MG Grade</b>      | <b>C+</b>          |

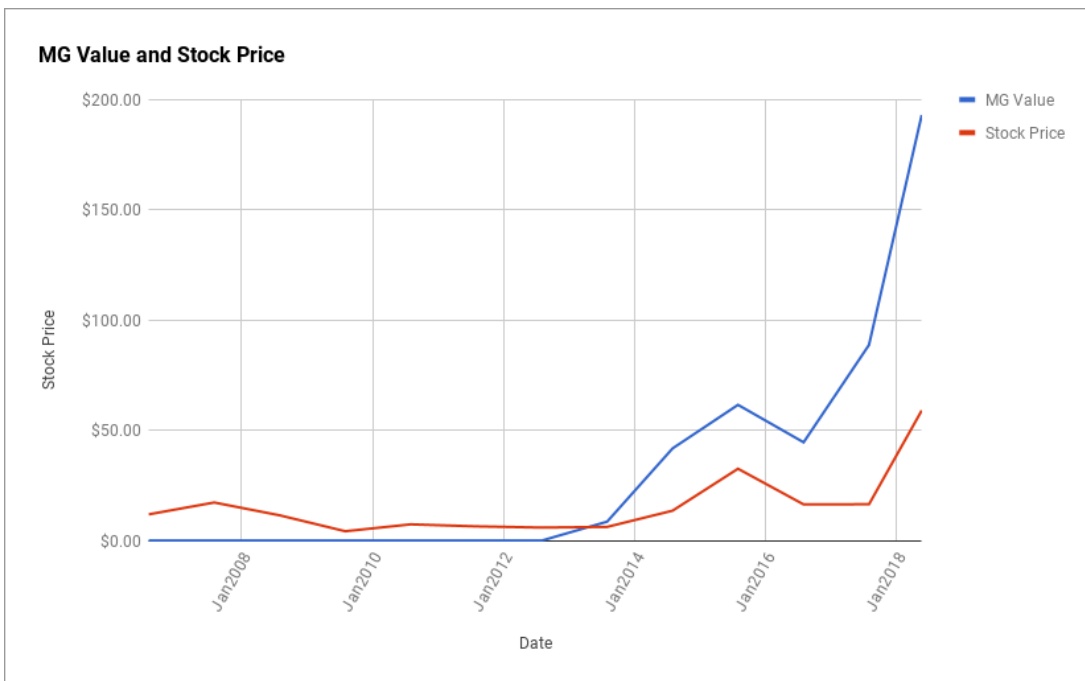
## Stage 3: Information for Further Research

|  |         |
|--|---------|
| Net Current Asset Value (NCAV)                 | \$0.92  |
| Graham Number                                  | \$61.93 |
| PEmg   | 11.77   |
| Current Ratio                                  | 2.58    |
| PB Ratio                                       | 2.75    |
| Current Dividend                               | \$0.00  |
| Dividend Yield                                 | 0.00%   |
| Number of Consecutive Years of Dividend Growth | 0       |

### Useful Links:

|  |                               |
|--|-------------------------------|
| <a href="#">ModernGraham tagged articles</a> | <a href="#">Morningstar</a>   |
| <a href="#">Google Finance</a>               | <a href="#">MSN Money</a>     |
| <a href="#">Yahoo Finance</a>                | <a href="#">Seeking Alpha</a> |
| <a href="#">GuruFocus</a>                    | <a href="#">SEC Filings</a>   |

| EPS History               |         | EPSmg History                             |                  |
|---------------------------|---------|---|------------------|
| Next Fiscal Year Estimate | \$10.18 | Next Fiscal Year Estimate                 | \$5.01           |
| Aug2017                   | \$4.41  | Aug2017                                   | \$2.31           |
| Aug2016                   | -\$0.27 | Aug2016                                   | \$1.16           |
| Aug2015                   | \$2.47  | Aug2015                                   | \$1.60           |
| Aug2014                   | \$2.54  | Aug2014                                   | \$1.09           |
| Aug2013                   | \$1.13  | Aug2013                                   | \$0.22           |
| Aug2012                   | -\$1.04 | Aug2012                                   | -\$0.38          |
| Aug2011                   | \$0.17  | Aug2011                                   | -\$0.23          |
| Aug2010                   | \$1.85  | Aug2010                                   | -\$0.45          |
| Aug2009                   | -\$2.35 | Aug2009                                   | -\$1.33          |
| Aug2008                   | -\$2.10 | Aug2008                                   | -\$0.64          |
| Aug2007                   | -\$0.42 | Aug2007                                   | -\$0.04          |
| Aug2006                   | \$0.57  | Aug2006                                   | -\$0.07          |
| Aug2005                   | \$0.29  | Aug2005                                   | -\$0.53          |
| Aug2004                   | \$0.24  | Aug2004                                   | -\$0.75          |
| Aug2003                   | -\$2.11 | Aug2003                                   | -\$0.98          |
| Aug2002                   | -\$1.51 | Aug2002                                   | -\$0.33          |
| Aug2001                   | -\$1.05 | <b>Balance Sheet Information 2/1/2018</b> |                  |
| Aug2000                   | \$2.56  | Total Current Assets                      | \$15,836,000,000 |
| Aug1999                   | -\$0.13 | Total Current Liabilities                 | \$6,135,000,000  |
| Aug1998                   | -\$0.58 | Long-Term Debt                            | \$7,137,000,000  |
|                           |         | Total Assets                              | \$41,263,000,000 |
|                           |         | Intangible Assets                         | \$1,576,000,000  |
|                           |         | Total Liabilities                         | \$14,697,000,000 |
|                           |         | Shares Outstanding (Diluted Average)      | 1,238,000,000    |





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

**Other ModernGraham posts about the company**

- [Micron Technology Inc Valuation – February 2017 \\$MU](#)
- [Micron Technology Inc. Valuation – November 2015 Update \\$MU](#)
- [30 Companies in the Spotlight This Week – 11/15/14](#)
- [Micron Technology Inc. Annual Valuation – 2014 \\$MU](#)

**Other ModernGraham posts about related companies**

- [Xilinx Inc Valuation – May 2018 \\$XLNX](#)
- [Western Digital Corp Valuation – May 2018 \\$WDC](#)
- [Texas Instruments Inc Valuation – May 2018 \\$TXN](#)
- [Qualcomm Inc Valuation – May 2018 \\$QCOM](#)
- [Advanced Micro Devices Inc Valuation – May 2018 \\$AMD](#)
- [Ametek Inc Valuation – April 2018 \\$AME](#)
- [Qorvo Inc Valuation – April 2018 \\$QRVO](#)
- [FLIR Systems Inc Valuation – April 2018 \\$FLIR](#)
- [NetApp Inc Valuation – April 2018 \\$NTAP](#)
- [Applied Materials Inc Valuation – April 2018 \\$AMAT](#)